# OTHER FUNDS

These funds are categorized to distinguish the specific reason for the expenditure of funds. Included in this segment are the following funds:


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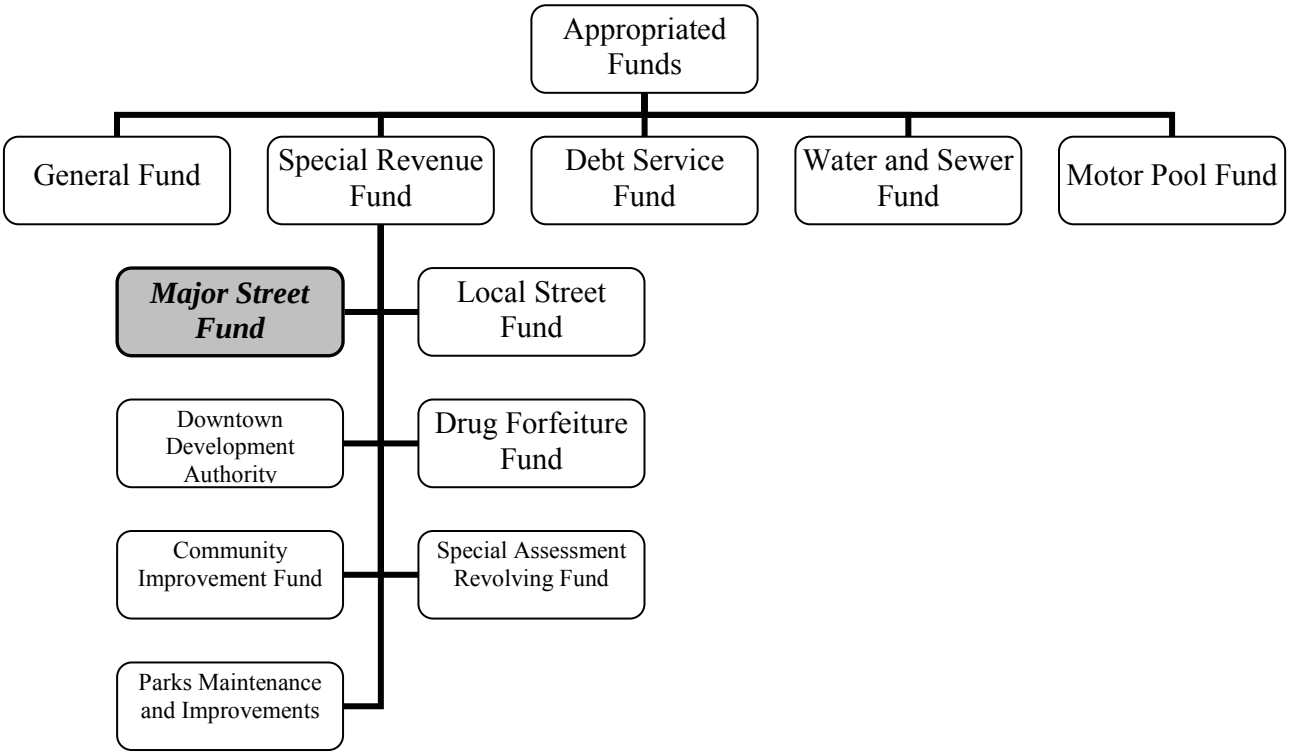
# Major Street Fund

## Statement of Services

The Major Street Fund maintenance is supported by the Department of Public Service and staffed with an allocation of 12 Equipment Operators, 1 part-time Seasonal Laborer and part of a full-time Administrative Secretary.

The Major Street Fund accounts for expenditures associated with the maintenance needs of the major street portion of the City's street network. This Fund is financed directly from the State gas and weight taxes, interest on investment and maintenance reimbursements from Oakland and Macomb Counties Road Commissions.

## Organizational Fund Structure



## Financial Summary

| Requirements: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Construction | $1,614,052 | $1,246,000 | $1,443,000 | $197,000 | 15.8 |
| Maintenance | 167,442 | 231,447 | 221,093 | (10,354) | (4.5) |
| Traffic Services | 178,955 | 244,542 | 233,023 | (11,519) | (4.7) |
| Winter Maintenance | 146,774 | 164,877 | 169,497 | 4,620 | 2.8 |
| Administration | 49,399 | 51,818 | 50,208 | (1,610) | (3.1) |
| Transfers | 94,047 | 116,323 | 124,885 | 8,562 | 0.0 |
| Total | $2,250,669 | $2,055,007 | $2,241,706 | $186,699 | 9.1 |
| **Resources:** | | | | | |
| State | $1,279,441 | $1,332,958 | $1,227,551 | $(105,407) | (7.9) |
| County | 240,051 | 185,650 | 172,166 | (13,484) | (7.3) |
| Interest | 88,633 | 160,000 | 25,000 | (135,000) | (84.4) |
| Transfers | 293,000 | 287,706 | 288,000 | 294 | 0.1 |
| Fund Balance | 0 | 88,693 | 528,989 | 426,812 | 481.2 |
| Total | $1,901,125 | $2,055,007 | $2,241,706 | $173,215 | 8.4 |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $874,499 | $753,390 | $224,401 | $(528,989) | (70.2) |

## Budget Highlights

- As part of the 2008-09 Goal Plan, the City adopted:
  Goal H - In an effort to balance funding limitations and backlog of commercial and industrial roads in need of repair, modify the existing program to allow for development, design, procurement and construction of a mill and asphalt overlay with appropriate joint and base repairs for these high priority road needs.

  A total of $1,218,000 has been budgeted for North Avis from Fourteen Mile to East Avis, East Avis from North Avis to Dequindre, Edward from Fourteen Mile to Mandoline and Mandoline from Edward to North Avis. These projects include $288,000 in funding through a 100 percent special assessment district for sidewalk installation.

- Other construction projects scheduled for the Budget include sidewalks on the south side of 12 Mile under I-75 (total project $150,000 including $100,000 from the Oakland County Road Commission Tri Party), joint rehabilitation on 11 Mile west of John R and 13 Mile turn lane from John R to Stephenson ($75,000) and traffic signal upgrades ($30,000).

- State shared revenues from gas and weight tax are projected to drop eight percent for both Major and Local Street Funds resulting from higher gas prices and related cutbacks in the purchase of gasoline.

- Interest income is down substantially due to the major reduction in Fund Balance and lower interest rates.

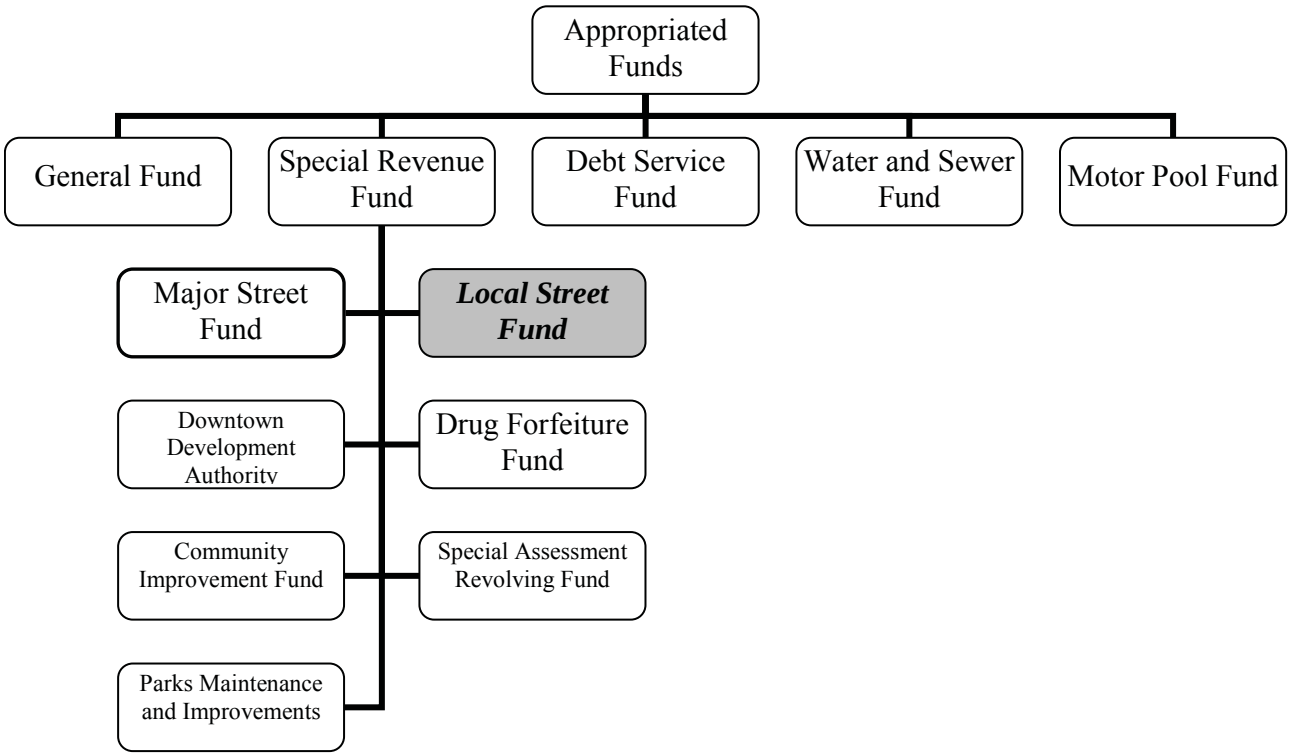
# Local Street Fund

## Statement of Services

The Local Street Fund maintenance is supported by the Department of Public Service and staffed with an allocation of 12 Equipment Operators, 1 part-time Seasonal Laborer and part of a full-time Administrative Secretary.

The Local Street Fund accounts for expenditures associated with construction and maintenance needs of the local street portion of the City's street network. This Fund is financed directly from the City's share of State gas and weight taxes, transfers from the Major Street Fund and interest income.

## Organizational Fund Structure



## Financial Summary

| Requirements: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Construction | $2,554,317 | $3,152,000 | $3,581,000 | $429,000 | 13.6 |
| Maintenance | 400,821 | 435,547 | 436,674 | 1,127 | 0.3 |
| Traffic Services | 95,522 | 95,141 | 117,493 | 22,352 | 23.5 |
| Winter Maintenance | 54,915 | 69,862 | 74,768 | 4,906 | 7.0 |
| Administration | 41,556 | 48,788 | 41,745 | (7,043) | (14.4) |
| Transfers | 0 | 486,889 | 211,000 | (275,889) | 0.0 |
| Total | $3,147,131 | $4,288,227 | $4,462,680 | $174,453 | 4.1 |
| **Resources:** | | | | | |
| State | $477,499 | $497,725 | $458,136 | $(39,589) | (8.0) |
| Interest | 338,728 | 200,000 | 245,000 | 45,000 | 22.5 |
| Transfers | 2,632,050 | 2,965,379 | 2,706,557 | (258,822) | (8.7) |
| Fund Balance | 0 | 625,123 | 1,052,987 | 427,864 | 68.4 |
| Total | $3,448,277 | $4,288,227 | $4,462,680 | $174,453 | 4.1 |

| | | | | | |
|---|---|---|---|---|---|
| Undesignated Fund Balance | $(53,731) | $(5,344) | $27,112 | $32,456 | (607.3) |
| Designated Fund Balance | $7,112,667 | $6,611,157 | $6,228,850 | $(382,307) | (5.8) |

## Budget Highlights

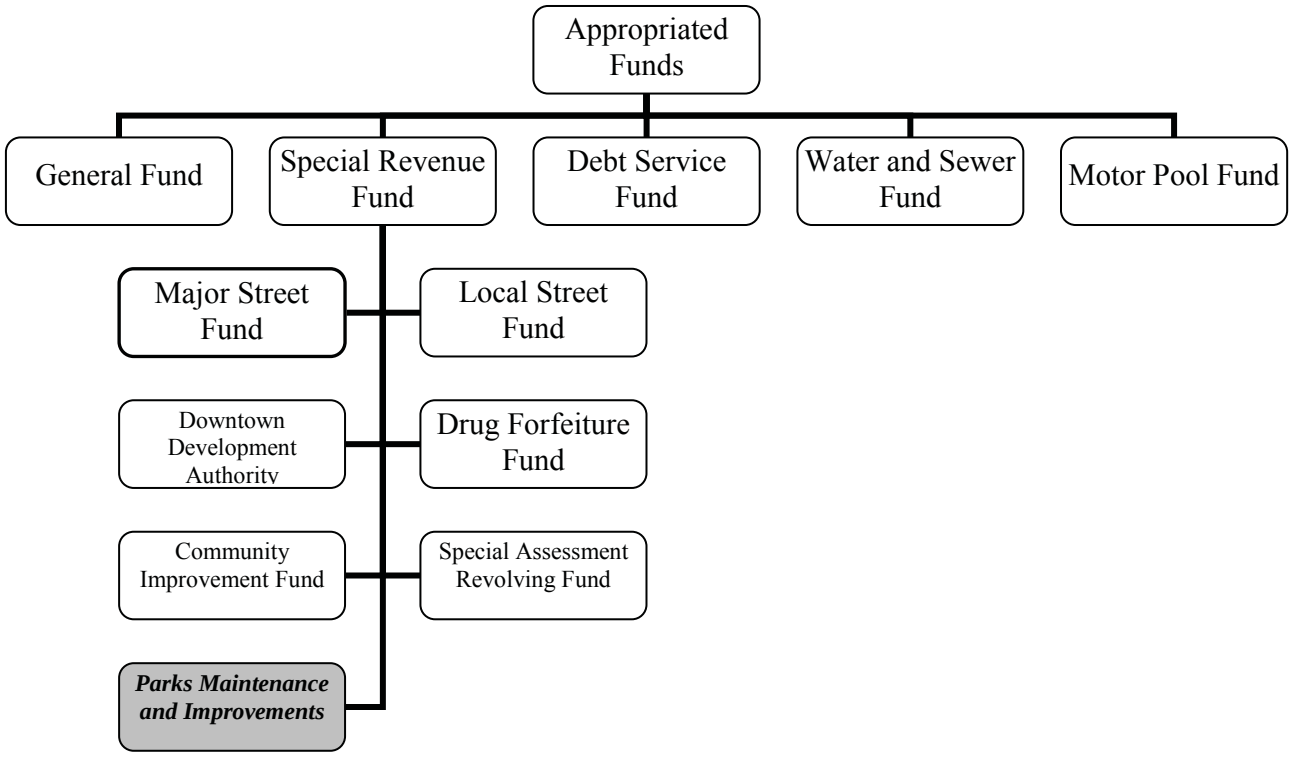
- As part of the 2008-09 City Goal Plan, the City adopted:
  Goal F - Develop multi-year plans, estimate costs, explore outside funding, solicit bids, purchase and install vertical traffic sign reflectors ($18,000) to enhance vehicle and pedestrian safety.
- The Ten Year Neighborhood Road Improvement Program is scheduled to include: "R-1" projects for Spoon and Sherry sectional concrete replacement ($550,000) and "R-2" projects for Spoon ($802,000), Parkdale ($400,000), Millard ($624,000), Barrington/Northeastern ($575,000) and Girard ($480,000).
- The Proposal "R-1" Annual Joint/Crack Sealing Program ($80,000) will include the neighborhoods of south of Lincoln and west of John R. If funds are available, the secondary area will be south of 12 Mile west of Dequindre, north of Connie and east of Alden.
- The Proposal "R-1" Annual Sectional Concrete Repair and Replacement Program funding ($50,000) will be used for smaller sections of road based on a survey of road conditions.
- The Local Street Fund Designated Fund Balance represents funding from the Proposal "R-1" and "R-2" Tax Levy, which will be used in future years for neighborhood road projects.
- Also as called for in the "R-2" plan, the Budget includes a $20,000 contribution to the annual sidewalk repair program for the key flag squares and ramps.

# Parks Maintenance and Improvement

## Statement of Services

The Parks Maintenance and Improvements Fund was created as a result of a negotiated agreement between the George W. Kuhn (GWK) Drainage District and the Madison Heights City Manager. Under the agreement, the City in November 2007 received a one time payment of $850,000 in exchange for the commitment to operate and maintain a 10-arce soccer complex. The "Red Oaks Soccer Complex" includes nine youth soccer fields, a concession/meeting building, picnic pavilion, 245 space parking lot and playground for a 25 year period. The $2.1 million soccer complex was built by the GWK Drainage District with contributions of $150,000 from the adjoining Lowe's and $200,000 from the Oakland County Parks and Recreation Commission. The principal and interest on the original payment is not restricted to just the Red Oaks Soccer Complex, but may be used for any Madison Heights park system improvement.

## Organizational Fund Structure



## Financial Summary

| Requirements: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Maintenance | $0 | $0 | $7,158 | $7,158 | 0.0 |
| Transfers | 0 | 0 | 605 | 605 | 0.0 |
| Total | $0 | $0 | $7,763 | $7,763 | 0.0 |
| **Resources:** | | | | | |
| Interest | $0 | $15,308 | $36,000 | $20,692 | 135.2 |
| County Shared Revenues | 0 | 850,000 | 0 | (850,000) | (100.0) |
| Fund Balance | 0 | 0 | (28,237) | (28,237) | 0.0 |
| Total | $0 | $865,308 | $7,763 | $(857,545) | (99.1) |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $0 | $865,308 | $893,545 | $28,237 | 3.3 |

## Budget Highlights

- The Red Oaks Soccer Complex is still under development with a project completion date of mid-2009. The concession/meeting building is substantially complete. The GWK Drainage District plans to use the building for a classroom for their adjoining confined space/rescue facility. The soccer fields and park grounds still need to be seeded. Construction on a new flushing system for the underground retention treatment facility will take place on the property between fall 2008 and spring 2009. The playscape is scheduled to be installed in spring 2009.

- The maintenance account includes funding of $7,158 for electric, gas and water utilities.

# Downtown Development Authority

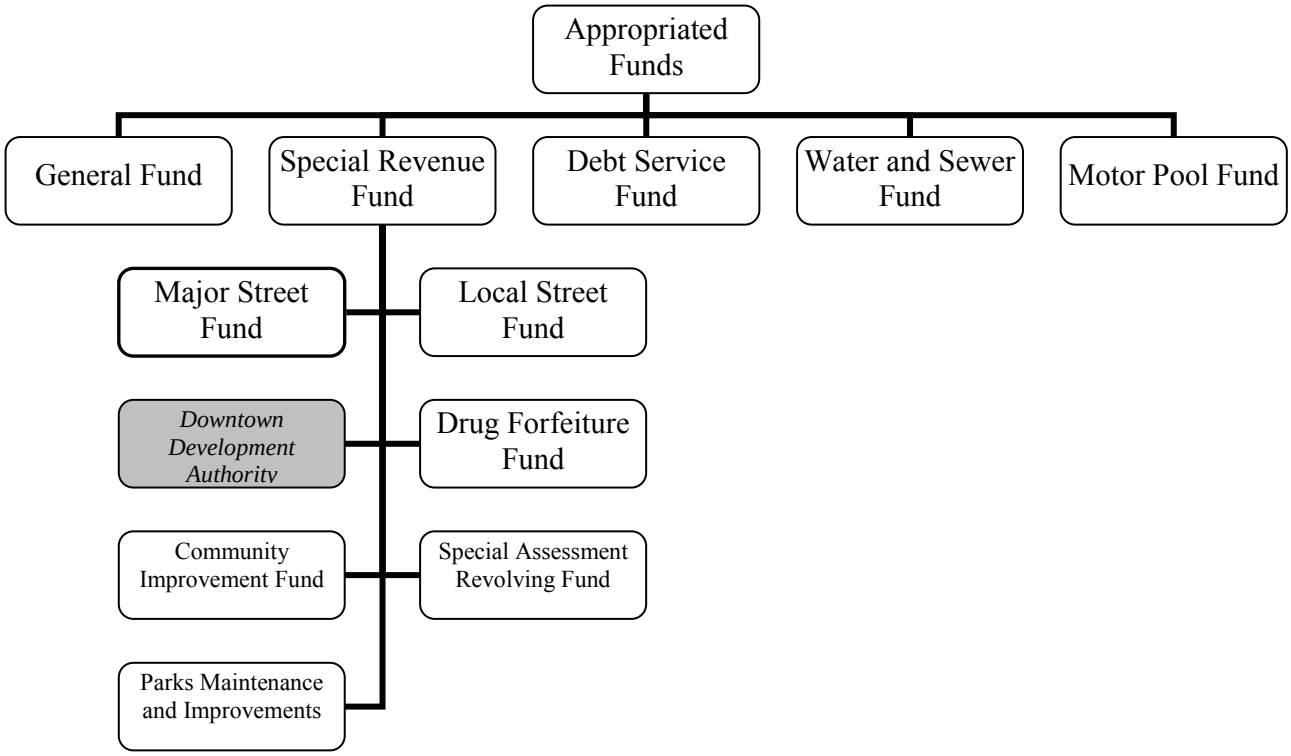
## Statement of Services

The Downtown Development Authority (DDA) is supported by the Community Development Department and was established to correct and prevent stagnation and deterioration within the south end commercial business district.

The boundaries of the District include properties abutting John R Road from Gardenia to Ten Mile Road and Eleven Mile Road from I-75 to Lorenz. These properties are primarily zoned and used for commercial and industrial purposes.

This Fund is financed from the capture of incremental property taxes on properties within the District.

## Organizational Fund Structure




**<u>Accomplishments</u>**
**Resource Management:**

- Business retention and new business welcome programs included more than 180 visits to local businesses.

**<u>Objectives</u>**
**Resource Management:**

- Conduct comprehensive review of public rights-of-way and alleys to assess possibility to vacate and develop maintenance schedule.

## Financial Summary

| Requirements: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Other Services and Charges | $63,604 | $399,034 | $245,981 | (149,963) | (37.6) |
| Transfers | 45,716 | 53,558 | 60,408 | 6,850 | 12.8 |
| Total | $109,320 | $452,592 | $306,389 | $(143,113) | (31.6) |
| **Resources:** | | | | | |
| Property Taxes | $199,178 | $228,031 | $243,189 | $15,158 | 6.6 |
| Interest | 17,604 | 11,500 | 18,500 | 7,000 | 0.0 |
| Fund Balance | 0 | 213,061 | 44,700 | (165,271) | (77.6) |
| Total | $216,782 | $452,592 | $306,389 | $(143,113) | (31.6) |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $317,370 | $104,309 | $59,609 | $(47,790) | (45.8) |

## Budget Highlights

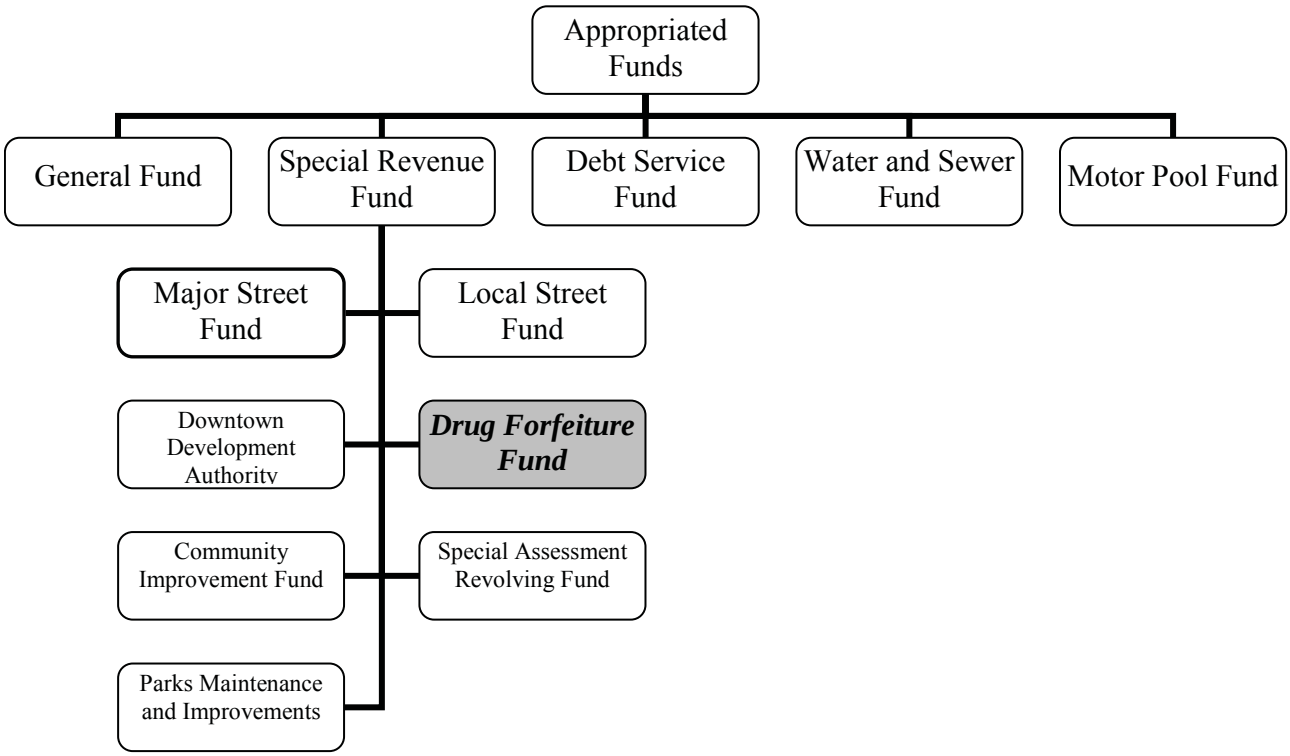
- The FY 2008-09 Budget includes the following major expenditures:
  - $ 40,300 - DDA funding match of 40% for the Economic Development Program
  - $ 20,100 - DDA funding match of 25% for a Code Enforcement Officer
  - $ 10,000 - Private uniform building address signage
  - $ 10,000 - Repairs to clock tower brick work
  - $ 10,000 - Private sign upgrade grant program
  - $ 20,000 - Facade improvements
  - $ 15,000 - Right-of-way mowing
  - $ 12,000 - Public right-of-way trash receptacle program
  - $100,000 - Alley improvements
  - $ 50,000 - Property acquisition sinking account

# Drug Forfeiture Fund

## Statement of Services

The Drug Forfeiture Fund is used to account for revenues generated by drug forfeitures and expenditures related to the enforcement of drug laws per Public Act 251 of 1982.

## Organizational Fund Structure



## Financial Summary

| Requirements: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Supplies | $5,209 | $0 | $0 | 0 | 0.0 |
| Capital Outlay | 143,760 | 175,000 | 134,000 | (41,000) | (23.4) |
| Total | $148,969 | $175,000 | $134,000 | $(41,000) | (23.4) |
| **Resources:** | | | | | |
| Drug Forfeiture | $86,692 | $58,000 | $58,000 | $0 | 0.0 |
| Interest Income | 13,771 | 3,000 | 4,000 | $1,000 | 33.3 |
| Fund Balance | 0 | 114,000 | 72,000 | $(42,000) | (14.0) |
| Total | $100,463 | $175,000 | $134,000 | $(41,000) | (8.6) |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $223,465 | $133,133 | $61,133 | $(72,000) | (54.1) |

## Budget Highlights

- The Capital Outlay schedule includes funding for the replacement of two police patrol vehicles ($40,000), one undercover vehicle ($20,000) and the purchase of two new motorcycles ($30,000).

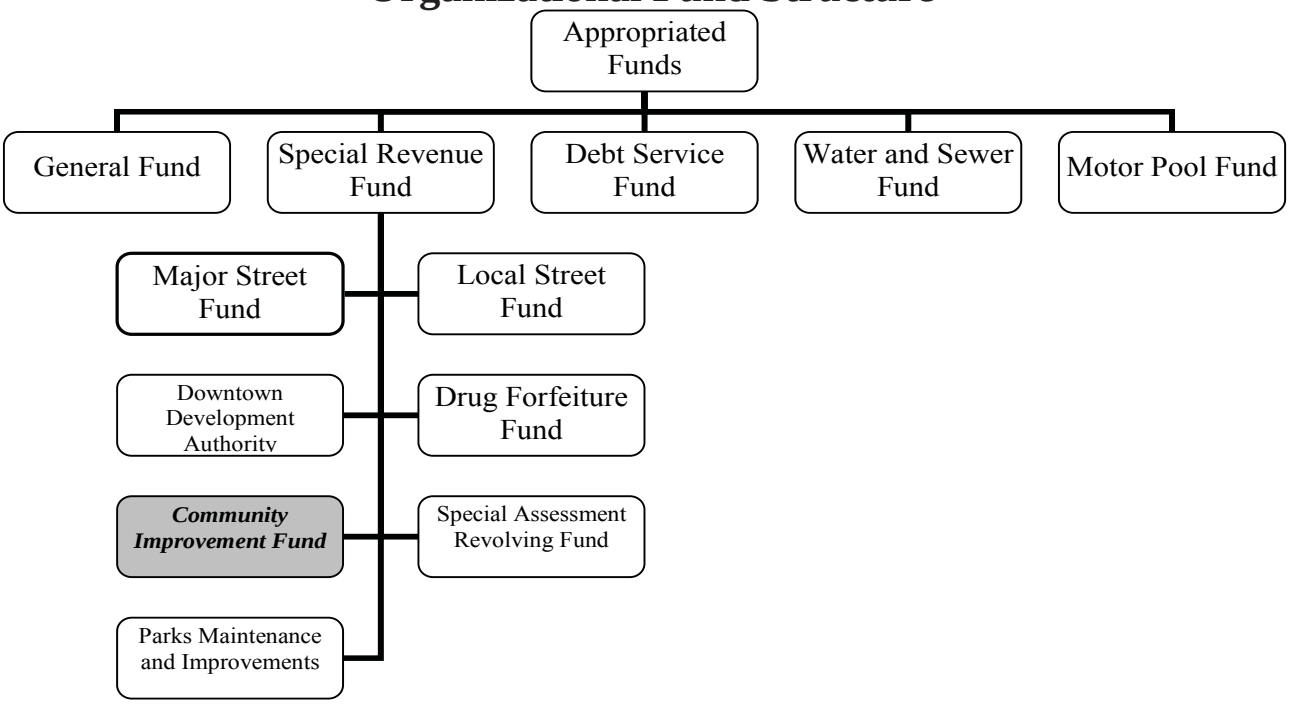
# Community Improvement Fund

## Statement of Services

The Community Improvement Program is a federally funded Division of the Community Development Department that administers the City's Community Development Block Grant (CDBG) and Housing Commission Funds. The Community Improvement Division includes one full-time Community Housing CDBG Supervisor, one full-time Housing Program Assistant and one full-time Code Enforcement Officer.

Block Grant funds have been used for the Home Chore Program (lawn mowing and snow removal), code enforcement, minor home repair, barrier free improvements and other similar projects that benefit low and moderate-income residents. These funds also provide assistance to low-income families in securing low-interest and/or deferred home improvement loans. The Housing Commission uses federal grant funds to subsidize the rent for over 250 low-income tenants.

## Organizational Fund Structure




**Accomplishments**

Quality of Life:

- Achieved a utilization rate for Federal Housing Section 8 Rental Assistance Program of 97%.
- Maintained a spending ratio (1.27) less than the maximum 1.5 of the CDBG allocation, as requested by Oakland County Community and Home Improvement.
- Achieved overall Section Eight Management Assessment Program (SEMAP) score of 100, designating Madison Heights Housing Commission as a "high" performer.

**Objectives**

Quality of Life:

- Maintain 95% or higher utilization rate for Federal Housing Section 8.
- Maintain a spending ratio of less than 1.5 of the CDBG allocations.
- Maintain adequate SEMAP score.

## Performance Measures

| Performance Measures: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| **Workload Indicators** | | | | | |
| Home Chore Assignments | 1,567 | 1,986 | 2,000 | 14 | 0.7 |
| Home Rehabilitations | 10 | 14 | 15 | 1 | 7.1 |
| Minor Home Repair | 4 | 4 | 5 | 1 | 25.0 |
| Self Sufficiency Contracts | 16 | 20 | 27 | 7 | 35.0 |
| Units Under Contract | 262 | 273 | 275 | 2 | 0.7 |

## Financial Summary

| | | | | Increase | |
|---|---|---|---|---|---|
| | | | | (Decrease) | |
| | Actual | Estimate | Budget | FY 2007-08 | Percent |
| Requirements: | 2006-07 | 2007-08 | 2008-09 | to FY 2008-09 | Change |
| Personal Services | $226,587 | $236,844 | $246,248 | $9,404 | 4.0 |
| Supplies | 509 | 745 | 750 | 5 | 0.7 |
| Other Services and Charges | 1,522,365 | 1,674,905 | 1,649,703 | (25,202) | (1.5) |
| Capital Outlay | 0 | 4,000 | 0 | (4,000) | 0.0 |
| Transfers | 0 | 287,706 | 0 | (287,706) | 0.0 |
| Total | $1,749,461 | $2,204,200 | $1,896,701 | $(307,499) | (14.0) |
| Resources: | | | | | |
| Federal Assistance | $1,829,082 | $1,751,863 | $1,762,386 | $10,523 | 1.0 |
| Community Develop. Grant | 135,449 | 435,337 | 121,413 | (313,924) | 0.0 |
| Interest | 22,390 | 17,000 | 12,902 | (4,098) | 0.0 |
| Fund Balance | 0 | 0 | 0 | 0 | 0.0 |
| Total | $1,986,921 | $2,204,200 | $1,896,701 | $(307,499) | (14.0) |
| | | | | | |
| Fund Balance | $0 | $0 | $0 | $0 | 0 |

## Budget Highlights

- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and 25% of the Community Improvement Supervisor (the remaining 75% funded through Housing Program); a Home Chore Program, including mowing and snow shoveling for seniors; and minor home rehabilitation for emergency repairs for qualifying households.

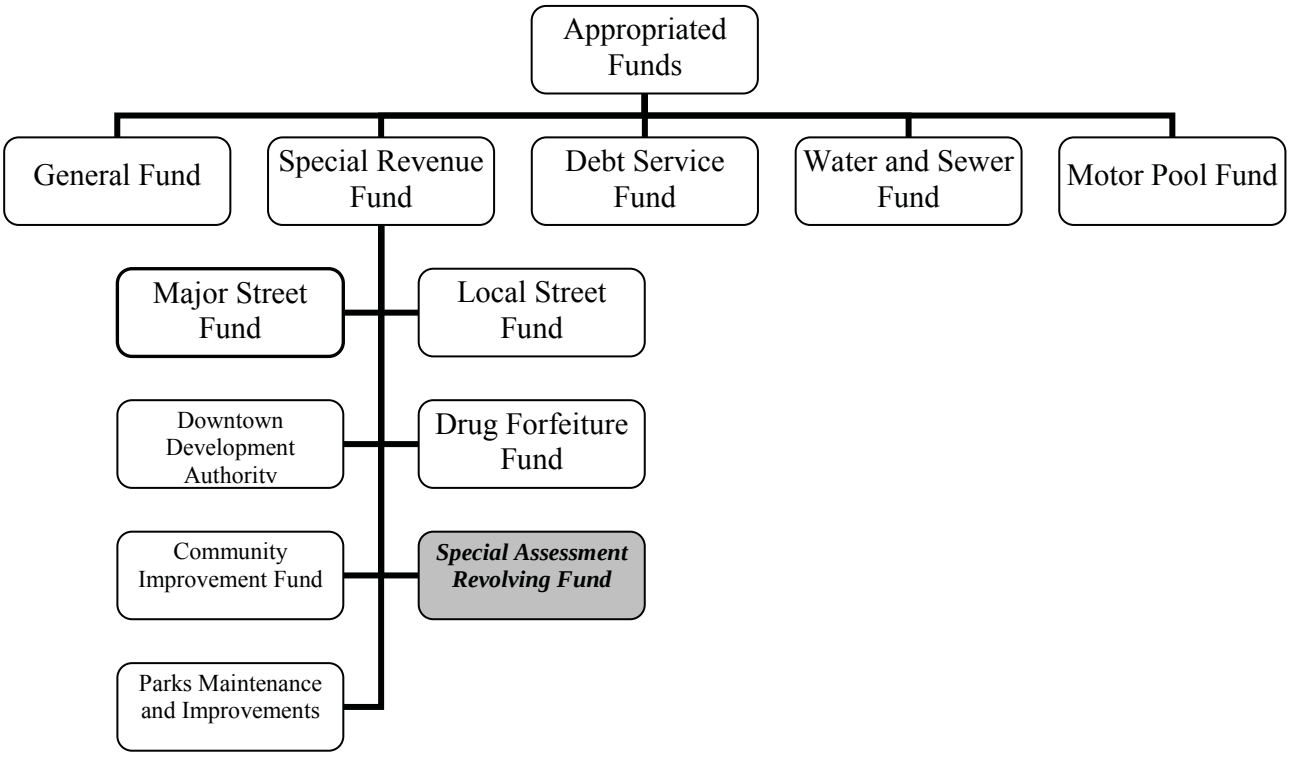
- The Housing Assistance Program is funded at the 275 family level (regular 225 and disability 50). The Federal government is programmed to provide $42.51 per unit per month to offset the City's local administration costs.

# Special Assessment Revolving Fund

## Statement of Services

The Special Assessment Revolving Fund is supported by the Community Development Department and used to account for the payment of construction of sidewalks, roads and other City projects. Revenues are realized from property owners' special assessment payments and interest income.

## Organizational Fund Structure



## Financial Summary

| Requirements: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Other Services and Charges | $(7,518) | $3,850 | $4,066 | $216 | 5.6 |
| Capital Outlay | 495,277 | 270,000 | 608,000 | 338,000 | 0.0 |
| Transfers | 687,090 | 572,624 | 592,695 | 20,071 | 3.5 |
| Total | $1,174,849 | $846,474 | $1,204,761 | $358,287 | 42.3 |
| **Resources:** | | | | | |
| Interest Income | $102,810 | $24,662 | $40,000 | $15,338 | 62.2 |
| Special Assessment Revenue | 905,650 | 365,967 | 363,381 | (2,586) | (0.7) |
| Transfers | 0 | 486,889 | 211,000 | (275,889) | 0.0 |
| Fund Balance | 0 | (31,044) | 590,380 | 621,424 | (2,001.8) |
| Total | $1,008,460 | $846,474 | $1,204,761 | $358,287 | 42.3 |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $918,496 | $949,540 | $359,160 | $(590,380) | (62.2) |

## Budget Highlights

- A total of $608,000 has been budgeted to support year six of the Sidewalk Repair and Gap Program and for the sidewalks associated with the 2008 industrial road mill and asphalt overlay projects. The year six repair program includes an area bounded by Twelve Mile Road, I-75, Ajax/Moulin and Dequindre Road. The industrial road and sidewalk projects include North Avis from Fourteen Mile to East Avis, East Avis from North Avis to Dequindre, Edward from Fourteen Mile to Mandoline and Mandoline from Edward to North Avis.

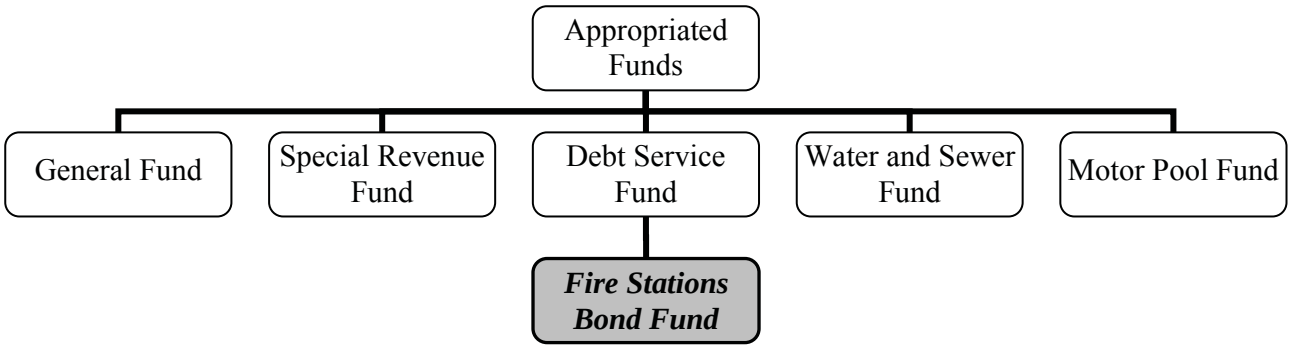
  Under the program, the City inspects the sidewalks and identifies those squares in need of replacement. After the assessment district is established, a contractor is hired and work is completed. The property owners have up to three years to reimburse the City through an annual special assessment billing for the cost of the sidewalk replacement.

# Fire Stations Bond Fund

## Statement of Services

The Fire Stations Bond Fund accounts for principal and interest payments on General Obligation Bonds issued in May 2003, to construct the new Fire Station Headquarters, demolish and redevelopment of the old building site and make renovations to Fire Station #2. Revenues are generated by an ad valorem property tax. The City also maintains a Fire Station Construction Fund to account for all expenditures associated with this project and related equipment purchases. Once the existing fund balance is exhausted, this fund will be eliminated.

## Organizational Fund Structure



## Financial Summary

| | | | | Increase | |
|---|---|---|---|---|---|
| | | | | (Decrease) | |
| | Actual | Estimate | Budget | FY 2007-08 | Percent |
| Requirements: | 2006-07 | 2007-08 | 2008-09 | to FY 2008-09 | Change |
| Debt Service | $380,135 | $390,748 | $397,173 | $6,425 | 1.6 |
| Capital Outlay | $17,978 | $46,701 | $0 | | (100.0) |
| Miscellaneous | 1,675 | 1,544 | 1,675 | 131 | 0.0 |
| Transfers | 0 | 0 | 0 | 0 | 0.0 |
| Total | $399,788 | $438,993 | $398,848 | $6,556 | 1.5 |
| Resources: | | | | | |
| Property Taxes | $103,201 | $392,292 | $395,227 | $2,935 | .75 |
| Interest | 17,727 | 0 | 3,621 | 3,621 | 0.0 |
| Fund Balance | 277,860 | 46,701 | 0 | (46,701) | (100.0) |
| Total | $398,788 | $438,993 | $398,848 | $6,556 | 1.5 |
| | | | | | |
| Fund Balance | $92,610 | $45,909 | $0 | $(45,909) | (100.0) |

## Budget Highlights

- On August 6, 2002, Madison Heights' voters approved a proposal for the City to borrow $5,926,000 and issue General Obligation Unlimited Tax Bonds, payable over the next 20 years for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, construction of an underground storm water retention structure and draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. A separate Construction and Debt Service Funds have been set up to record the actual project costs and the servicing of the bonds. The new Headquarters Fire Station opened in June 2004. The demolition of the old Fire Station and redevelopment of the Thirteen Mile Road frontage was completed in the fall of 2004.
- As part of the 2008-09 City Goal Plan, the City adopted:

  Goal C - To support current efforts for fire service resource sharing with other communities in Southeast Oakland County, analyze, design, bid, procure and implement an upgraded internet based dispatch alerting system to facilitate structure fires automatic mutual aide runs and other response efforts ($28,000).

  Goal D - Working with Oakland County Emergency Response and Preparedness, replace and relocate the current outdoor warning siren serving the middle one-third of our community with a new unit with appropriate backup power supply and long-term maintenance provided by the County ($21,000 including $5,000 from Oakland County).

  Funds for these projects will be appropriated for the existing fund balance of the Construction Fund.
- The Bond property tax millage is brought in through the General Fund and transferred to the Fire Stations Bond Fund. The Bond Fund is schedule to make two payments totaling $395,198 for principal and interest.

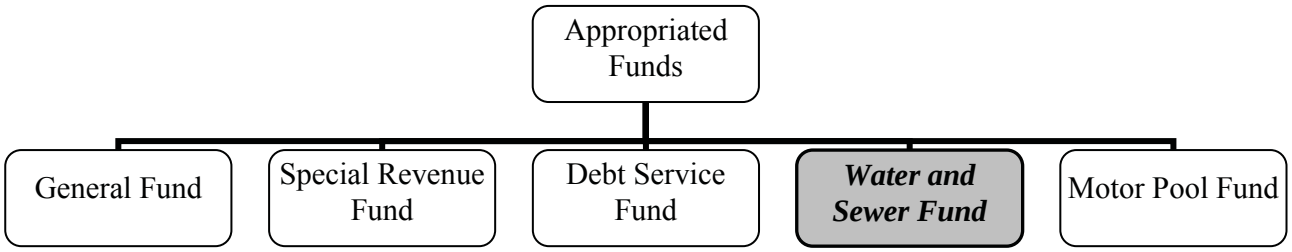
# Water and Sewer Division

## Statement of Services

The Water and Sewer Division of the Department of Public Service consists of 1 Utilities Supervisor, 2 Water Maintenance Workers, 2 Water Meter Repair Workers, 2 Meter Readers, 5 Equipment Operators, and two part-time Seasonal Laborers. The Division is responsible for:

- Providing water distribution and sewage collection to the City's citizens and businesses. This process begins with the purchase of water from the Detroit Water and Sewerage Department and ends with the City paying the Oakland County Drain Commission for the treatment of sewage that enters its facilities; and
- Handling all installation, repair and reading of all water meters; all repair work on water and sewer mains; gatewells; maintenance hole and catch basin structures; all cleaning of sewer mains, catch basins, gatewells and culverts; and repair work including pavement and landscape repairs arising from watermain breaks and/or sewer trench settlement.

## Organizational Fund Structure




**Accomplishments**

Public Health:

- Replaced over 6,100 feet of watermain and repaired 15 catch basins.
- Completed valve exercising in the industrial subdivision sections of the City.
- Cleaned sanitary sewers in the industrial subdivisions.
- Repaired or replaced 83 curb boxes that were damaged.
- Larvicided over 3,600 catch basins to fight the West Nile Virus.
- Held successful Catch Basin Workshop Day with over 60 catch basins being stenciled.
- Began using City Works program for daily work orders including geocoding.
- Submitted Public Education Plan, Illicit Discharge Elimination Plan, and Storm Water Pollution Prevention and initiative reports in compliance with storm water permit requirements.
- Researched, designed, solicited, acquired and installed a two-way radio repeater system to eliminate coverage gaps at the Department of Public Service site.

**Objectives**

Public Health:

- Clean catch basins in the industrial subdivisions and on all major roads.
- Clean the sanitary sewers in District #2 (between 11 Mile to 12 Mile and Dequindre to I-75).
- Clean the gatewells in the industrial subdivisions.

## Performance Measures

| Performance Measures: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| **Workload Indicators** | | | | | |
| Avg Daily Water Flow (Units*) | 5,247 | 5,607 | 5,500 | (107) | (1.9) |
| Catch Basins Repaired | 15 | 15 | 16 | 1 | 6.7 |
| Curb Boxes Replaced | 83 | 85 | 90 | 5 | 5.9 |
| Main Break Repairs | 72 | 62 | 60 | (2) | (3.2) |
| New Watermain Installed (Feet) | 3,366 | 6,154 | 7,910 | 1,756 | 28.5 |
| Sanitation Line Cleaned (Feet) | 100,000 | 100,000 | 101,000 | 1,000 | 1.0 |
| Sewer Backups Resolved | 1 | 1 | 1 | 0 | 0.0 |
| Radio Read Installation | 138 | 160 | 137 | 23 | (14.4) |
| **Efficiency/Effectiveness** | | | | | |
| Meters Read Per Reader (Comml) | 185 | 185 | 185 | 0 | 0.0 |
| Meters Read Per Reader (Residential) | 540 | 600 | 630 | 30 | 5.0 |
| Meter Reading Cost Per Commercial Customers (Dollars) | 8.91 | 9.48 | 10.06 | 0.58 | 6.1 |
| Meter Reading Cost Per Residential Customers (Dollars) | 2.16 | 2.31 | 2.46 | 0.15 | 6.5 |

* One unit equals 748 gallons

## Budget Highlights

- As a point of information, the Detroit Water and Sewerage Department and the Detroit City Council have approved a plan to reduce by four-tenths of a percent the Madison Heights' water and sewer rates effective July 2008. Based on the analysis by the Finance Department of the Water and Sewer Fund Retained Earnings and projected Revenues and Expenditures, the City's water and sewer rates will need to be increased 3.5% in FY 2008-09 (no increase to the meter charge). Despite this increase, the City will still need to use $170,000 from retained earnings to fund next year's budget.

- The average quarterly residential water and sewage bill will increase by $4.56 to $108.62 (based on average 2,200 cubic feet of consumption).

## Financial Summary

| Requirements | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Water Charges | $1,807,173 | $1,726,378 | $1,708,868 | $(17,510) | (1.0) |
| Water System Maintenance | 766,067 | 741,360 | 758,565 | 17,205 | 2.3 |
| Water Tapping & Installation | 18,049 | 24,500 | 24,500 | 0 | 0.0 |
| Water Depreciation | 251,378 | 250,600 | 254,000 | 3,400 | 1.4 |
| Sewage Disposal Charges | 2,788,683 | 2,736,337 | 2,992,526 | 256,189 | 9.4 |
| Sewer System Maintenance | 454,499 | 537,978 | 540,633 | 2,655 | 0.5 |
| Sewer Depreciation | 224,638 | 227,385 | 226,530 | (855) | (0.4) |
| General Service Building | 270,453 | 256,554 | 244,065 | (12,489) | (4.9) |
| General Administration | 1,140,633 | 1,213,803 | 1,186,436 | (27,367) | (2.3) |
| Capital Outlay | 7,107 | 1,860,521 | 642,080 | (1,218,441) | (65.5) |
| Debt Service | 44,559 | 835,441 | 842,665 | 7,224 | 0.9 |
| Total | $7,773,239 | $10,410,857 | $9,420,868 | $(989,989) | (9.5) |
| **Resources:** | | | | | |
| Sales: Water | $3,811,747 | $3,840,219 | $4,006,548 | $166,329 | 4.3 |
| Sales: Sewer | 4,677,914 | 4,936,932 | 5,144,785 | 207,853 | 4.2 |
| Interest/Miscellaneous | 211,635 | 115,000 | 70,000 | (45,000) | (39.1) |
| Departmental Charges | 29,550 | 29,550 | 29,550 | 0 | 0.0 |
| Retained Earnings | 0 | 1,489,156 | 169,985 | (1,319,171) | (88.6) |
| Total | $8,730,846 | $10,410,857 | $9,420,868 | $(989,989) | (9.5) |

| | | | | | |
|---|---|---|---|---|---|
| Retained Earnings | $2,745,118 | $1,255,962 | $1,085,977 | $(169,985) | (37.1) |

## Budget Highlights

- In support of the Neighborhood Road Improvement Program, $538,000 has been budgeted to replace watermains for Palmer, Tawas, East Barrett, Lorenz, Hales.

- A total of $29,880 has been budgeted to continue the City's plan to replace the push pad readers with new radio read devices for commercial water meters.

- To continue efforts to fight the West Nile Virus, the City plans to larvicide approximately 3,600 catch basins at a cost of $11,000 ($1,000 General Fund – Parks Budget and $10,000 Water and Sewer Fund).

- Vehicles scheduled for replacement include sewer camera television trailer ($17,000) and two 3/4 ton pickup ($28,600 each).

# Debt Summary

The City in the past has issued bonds to provide for the acquisition and construction of some major capital facilities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. Revenue Bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

I. George W. Kuhn Drain Bonds and State Revolving Loan Debt issued between October 2000 and August 2007. The total debt to be issued is estimated to be $127,000,000 with Madison Heights' share being $12,609,482. The bond and interest payments are being paid from the Water and Sewer Fund, with $10,441,257 principal remaining as of July 1, 2008.

II. Fire Stations' General Obligation Unlimited Tax Bonds in the amount of $5,926,000 issued on May 1, 2003, payable over 20 years, for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, park and site improvements, construction of an underground storm water retention structure and draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. As of July 1, 2008 $5,015,000 remains in principal payments.

## FY 2008-09 Budget

| General Obligations | | | |
|---|---|---|---|
| | Principal | Interest | Total |
| Fire Stations Bond | $220,000 | $175,198 | $395,198 |

| Water & Sewer Obligations | | | |
|---|---|---|---|
| | Principal | Interest | Total |
| Water and Sewer | $556,131 | $286,484 | $842,615 |
| Total Debt Service | $776,131 | $461,682 | $1,237,813 |

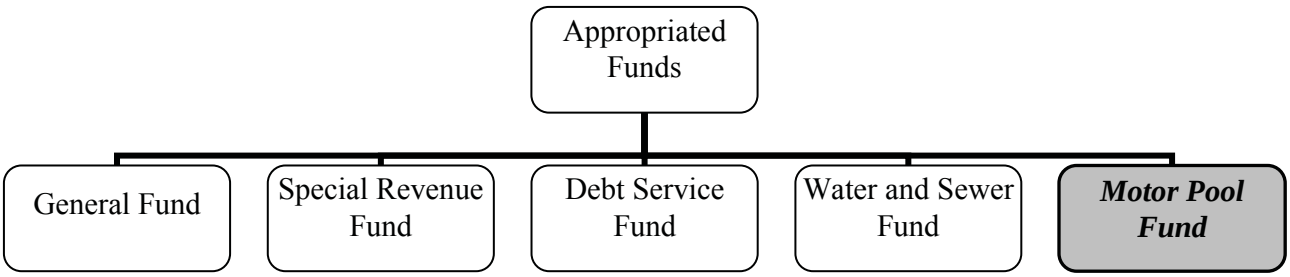
# Motor Pool Division

## Statement of Services

The Motor Pool Division of the Department of Public Service consists of 1 Motor Pool Supervisor and 3 Mechanics. The Division is responsible for:

- Maintaining all City vehicles and related equipment, including keeping records on each vehicle and piece of equipment to help determine whether the cost of repair is justified;
- Inspecting for safety problems, protecting the employees and the general public, as well as keeping adequate vehicle and equipment parts in stock and updated; and
- Ordering gasoline and diesel fuel, and overseeing the work done on all emergency backup generators.

## Organizational Fund Structure




**Accomplishments**

**Resource Management:**

- Build a rack and roller assembly to facilitate the moving of the bookshelves for the Library remodeling.
- Researched, purchased and installed equipment to begin anti-icing and pre-wet of road salt to increase efficiency during snowstorm operations.

Objectives

**Resource Management:**

- Work with the departments to establish and implement utilization standards followed by installation and maintenance of the equipment with the goal of lowering our environmental impact and expenses.
- Finalize and implement, if and when appropriate, hybrid vehicles into the vehicle replacement plan.
- Continue vehicle replacement under the planned scheduled and “V-2” millage.
- Analyze and implement, if appropriate, nitrogen inflation of pneumatic tires.
- Analyze and investigate higher levels of security within our existing fuel dispensing system.

## Performance Measures

| Performance Measures: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-08 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| **Workload Indicators** | | | | | |
| City Vehicle Repairs | 575 | 590 | 600 | 10 | 1.7 |
| Preventative Maintenance | 402 | 475 | 500 | 25 | 5.3 |
| Preventative Mte.-Cars | 199 | 220 | 234 | 14 | 6.4 |
| Preventative Mte.-Small Eq. | 51 | 75 | 83 | 8 | 10.7 |
| Preventative Mte.-Trucks | 152 | 180 | 183 | 3 | 1.7 |
| Work Orders | 977 | 1,050 | 1,100 | 50 | 4.8 |

## Financial Summary

| Requirements: | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|
| Personal Services | $367,267 | $382,947 | $399,650 | $16,703 | 4.4 |
| Supplies | 228,188 | 238,250 | 292,750 | 54,500 | 22.9 |
| Other Services and Charges | 452,970 | 524,276 | 434,308 | (89,968) | (17.2) |
| Capital Outlay | 15,000 | 0 | 0 | 0 | 0.0 |
| Total | $1,063,425 | $1,145,473 | $1,126,708 | $(18,765) | (1.6) |
| **Resources:** | | | | | |
| Transfers-General Fund | $939,642 | $1,010,662 | $996,017 | $(14,645) | (1.4) |
| Transfers-Water and Sewer | 123,783 | 134,811 | 130,690 | (4,121) | (3.1) |
| Fund Balance | 0 | 0 | 0 | 0 | 0.0 |
| Total | $1,063,425 | $1,145,473 | $1,126,707 | $(18,766) | (1.6) |

| | | | | | |
|---|---|---|---|---|---|
| Fund Balance | $0 | $0 | $0 | $0 | 0.0 |

## Budget Highlights

- An increase in the Supplies Account is primarily due to the projected increase in gasoline costs ($52,000).
- The decrease in Other Charges and Services is a result of the completion on a communication project ($30,000) and a drop in insurance costs. ($63,700).
- The balance of the budget for this Department is supported at the current service levels.

MADISON HEIGHTS

MH

CITY OF PROGRESS